

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Calpine Corporation, et al.,

Debtors.

)
)
) Chapter 11
)
) Case No. 05-60200 (BRL)
) Jointly Administered
)

ORDER AUTHORIZING THE IMPLEMENTATION OF A SEVERANCE PROGRAM

Upon the motion (the “Motion”)¹ of the above-captioned debtors (collectively, the “Debtors”) for entry of an order authorizing the implementation of a severance program; it appearing that the relief requested is in the best interest of the Debtors and the estates; it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; notice of this Motion and the opportunity for a hearing on this Motion was appropriate under the particular circumstances and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED

1. The Motion is granted in its entirety.
2. The Severance Program is approved in all respects.
3. Any payment made to any Employee under the Severance Program approved herein shall be final and shall not be subject to disgorgement.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

4. Employees at the executive vice president level and senior vice president level are “insiders” within the meaning of section 503(c)(2)(B) of the Bankruptcy Code. Employees at the vice president level and below are “non-management employees” within the meaning of section 503(c)(2)(B) of the Bankruptcy Code.

5. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

6. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. The requirement set forth in Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York that any motion or other request for relief be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Application or otherwise waived.

8. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: March 1, 2006
New York, New York

/s/Burton R. Lifland
United States Bankruptcy Judge